GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Sri Meka Sundaraiah, Vuyyuru against the award passed in Arbitration Claim Petition No.22/2017 dated 22.06.2018 by the Deputy Registrar of Chits, Vijayawada – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 403 Dated: 13-03-2019
Read the following:-

1. Appeal Petition filed by Sri Meka Sundaraiah, Vuyyuru dated 02.08.2018.
2. Govt. Memo No.33022/67/Regn.II/2018-1, dt 11.09.2018.
3. Govt. Letter No. 33022/67/Regn.II/2018, dt 12.02.2019.

***

ORDER:-

Sri Meka Sundaraiah, Viyyuru has filed an Appeal Petition under Section 70 of the Chit Fund Act, 1982 against the award passed in Arbitration Claim Petition No.22/2017, dated 22.06.2018 passed by the Deputy Registrar of Chits, Vijayawada.

2. Brief facts of the case is as follows:-

(i) The 1st appellant joined the Chit Fund Company as a subscriber in a Chit Group No. LT004VP for a value of Rs.50,00,000/- which is payable at the rate of Rs.1,00,000/- per month for a period of 50 months and the 1st appellant herein participated in the chit auction held on 23.02.2014 and became successful bidder having agreed to forego an amount of Rs.20,00,000/- out of chit value of Rs.50,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 6 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount of Rs.30,00,000/- on 22.03.2014 through cash voucher. The appellant paid only 34 installments and thereafter committed default in paying the 35th installments i.e., from 15.12.2015 onwards. The 1st respondent issued a demand legal notice dated 07.04.2016 to all the opponents through their advocate. As there is no reply, the 1st respondent filed a dispute application before the Deputy Registrar of Chits, Vijayawada and the same was numbered as Arbitration Claim Petition No.22/2017. The Deputy Registrar of Chits, Vijayawada sent notices to 1-6 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits. The appellant herein and Sri Meka Rama Rao have filed vakalat and counters and the remaining guarantors called absent set exparte. The Deputy Registrar of Chits, Vijayawada passed award in ACP No.22/2017 dated 22.06.2018 in favour of the Respondent No.1 ordering that the company is entitled to recover a sum of Rs.19,08,230/- (Rupees Nineteen lakhs eight thousand two hundred and thirty only) jointly and severally from opponents 1 to 6 together with interest at the rate of 12% per annum on the principal amount of Rs.16,00,000/- from the date of dispute i.e., 11.01.2017 to till the date of realization and also Rs.70,184/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellants filed the present appeal.

3. The case was posted for hearing on 26.2.2019 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

[P.T.O.]

4. Government after careful examination of the material available on record, allowed the appeal partly and the order passed by the Deputy Registrar of Chits, Vijayawada is hereby modified. The appellant herein who is the Opponent No. 1 and his guarantors who are the other opponents in ACP No. 22 of 2017 on the file of Deputy Registrar of Chits, Vijayawada are hereby directed to pay the Award amount jointly and severally within five months i.e., by 13.8.2019 with interest at the rate of 8% p.a. from the date of Award to till the date of realisation. In default, the Respondent No. 1 who is the disputant in ACP No. 22 of 2017 is at liberty to proceed as per Chit Fund Act, 1982 to recover the award amount as decreed by Deputy Registrar of Chits, Vijayawada in ACP No. 22 of 2017 after 13.08.2019 from the opponents.

5. In exercise of powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby partly allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
1. Sri Meka Sundaraiah, S/o. Rama Rao,
   D.No. 11-24&14, Beside Indian Bank,
   Main Road, Vuyyuru, Krishna Dist., A.P. through the
   Dy.Registrar of Chits, Vijayawada.
2. Sri Meka Rama Rao, S/o. Subba Rao, R/o. D.No.11-24&14,
   Beside Indian Bank, Main Road, Vuyyuru, Krishna Dist.,
   Through the Dy. Registrar of Chits, Vijayawada.
3. Sri Lankadasari Prasada Rao, S/o. L.Bhogeswara Rao,
   Sri Syamala Sadan, Beside Padmavathi Hospital,
   Town High School Road, Rajendranagar, Gudiwada,
   Krishna Dist., through the Dy. Registrar of Chits, Vijayawada.
4. Sri Meruga Subba Rao, S/o. M.Sanjeeva Rao, Sri Venkateswara
   Fire Bricks, 4-89, Beside Panchayati Office, Mantada,
   Pamidimukkala (M), Krishna Dist. Through the Dy. Registrar of
   Chits, Vijayawada.
5. Smt. Dasu Lakshmi Narasamma, W/o. D.Gangadhara Rao,
   Srikanth Cable Network, 286-6C, Pratap College Road,
   Chowdarypet, Pamarru (M), Krishna Dist., through the
   Dy. Registrar of Chits, Vijayawada.
6. Sri Billipalli Prabhakara Reddy, S/o. B.Seshagiri Reddy,
   BPR Tent House & Car Travels, Opp: St.AGK School, Gudiwada,
   Krishna Dist., through the Dy. Registrar of Chits, Vijayawada.
7. M/s.Margadarsi Chit Fund Ltd., Labbipet Branch, Vijayawada
   Through the Dy. Registrar of Chits, Vijayawada.

The Deputy Registrar of Chits, Vijayawada.
Copy to
The Director and Inspector General of Registration and Stamps, Andhra Pradesh, Vijayawada.
The P.S. to Special Chief Secretary to Govt., Revenue (Regn.II) Department.
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER